

**CALIFORNIA GAMBLING CONTROL COMMISSION**

Physical Address: 2399 Gateway Oaks Drive, Suite 100 • Sacramento, CA 95833-4231  
Mailing Address: P.O. Box 526013 • Sacramento, CA 95852-6013  
Phone: (916) 263-0700 • FAX: (916) 263-0452

**Updated Informative Digest**

No changes to be made. The Informative Digest in the Notice of Proposed Rulemaking is incorporated as if fully set forth in this section.

**Final Statement of Reasons****SUMMARY OF COMMENTS RECEIVED AND RESPONSES THERETO**

One comment letter was received during the 45-day comment period.  
The commenter had two areas of suggestion.

**Conviction.**

The first area deals with the definition of “conviction.”

The commenter suggests we enlarge the current definition to include Penal Code 1203.4a along with Penal Code 1203.4. Penal Code 1203.4 deals with the expungement of felonies. Penal Code 1203.4a deals with the expungement of misdemeanors. The Commission accepts this suggestion and has modified the regulation accordingly.

The commenter suggests that a conviction should be unaffected by a subsequent certification of rehabilitation. The Commission accepts this suggestion and has modified the regulation accordingly. Pursuant to Penal Code section 4852.15, a certificate of rehabilitation does not impair the authority of the board to suspend or revoke, nor does it require the reinstatement of the right or privilege to practice or carry on any profession or occupation the practice or conduct of which requires the possession or obtaining of a license, permit, or certificate.

The commenter suggests that a conviction should be unaffected by a gubernatorial pardon. The Commission does not accept this suggestion. Full pardons may be obtained after a certificate of rehabilitation, but they may also be obtained upon proof of innocence.

The commenter suggests that a conviction for a felony retroactively reduced to a misdemeanor under Penal Code section 17 should be considered a felony conviction. Commission does not accept this suggestion. The Commission will not substitute its discretion for that of the court in determining whether an offense is a felony or a misdemeanor.

The commenter suggests that a conviction where entry of judgment is deferred under Penal Code section 1000 et seq. (diversion) should still be considered a conviction. Pursuant to Penal Code section 1000.1, subdivision (d), “A defendant’s plea of guilty pursuant to this chapter shall not constitute a conviction for any purpose unless a judgment of guilty is entered pursuant to section 1000.3.” To further the intent of this statute, the Commission will not accept the suggestion. However, the Commission does note that this deferred entry of judgment does not prohibit the Commission from taking disciplinary action against a license or from denying a license if the offense involves forged or altered prescriptions. Penal Code section 1000, subdivision (d).

**Drop/Jackpot Administrative Fee.**

“As a second matter, the definition of ‘drop’ raises a question, whether it excludes jackpot payments and the administrative fee paid to the club. This is made clear in Regulation 12400 which includes definitions for ‘drop’ and for ‘jackpot administrative fee.’ If the term ‘drop’ is to be defined in Chapter 1, we suggest that the definition of ‘jackpot administrative fee’ should also be moved to Chapter 1 to provide that clarity.”

Because Drop is defined in Regulation 12400 and is not currently used in other chapters or articles of the Commission’s regulations, we are deleting the definition.

There were no requests for a public hearing and no public was held.

No comments were received during the 15-day comment period.

**UPDATE OF INITIAL STATEMENT OF REASONS**

Except for the changed definition of “conviction” and the deletion of “drop” as noted in the responses to comments, the Initial Statement of Reasons is incorporated as if fully set forth in this section.

**Required Determinations****LOCAL MANDATE**

These regulations do not impose a mandate on local agencies or school districts.

**REASONABLE ALTERNATIVES TO THE PROPOSED REGULATIONS AND REASONS FOR REJECTING THOSE ALTERNATIVES.**

The Commission is not aware of any reasonable alternatives that would as effectively achieve the regulatory purpose of defining terms or obtaining complete and timely address change information.

**REASONABLE ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESSES**

The Commission is not aware of any reasonable alternatives that would lessen any adverse impact on small businesses.

**IMPACT ON PRIVATE PERSONS**

The Commission is not aware of any reasonable alternatives that would be more effective or as effective and less burdensome to private persons.

**IMPACT ON BUSINESS**

The Commission has made a determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.